

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE: § **CASE NO. 08-34031-H4-7**
TEXAS STANDARD OIL §
COMPANY §
DEBTOR §

**Trustee's Emergency Motion to Abandon Estate's Interest
in the Undivided Leasehold Interest in High Island
Block A-552, Offshore Texas**

This motion seeks an order that may adversely affect you. If you oppose the motion, you should immediately contact the moving party to resolve the dispute. If you and the moving party cannot agree, you must file a response and send a copy to the moving party. You must file and serve your response within 20 days of the date this was served on you. Your response must state why the motion should not be granted. If you do not file a timely response, the relief may be granted without further notice to you. If you oppose the motion and have not reached an agreement, you must attend the hearing. Unless the parties agree otherwise, the court may consider evidence at the hearing and may decide the motion at the hearing.

Represented parties should act through their attorney.

TO THE HONORABLE JEFF BOHM, UNITED STATES BANKRUPTCY JUDGE:

Rodney Tow, Trustee for Texas Standard Oil Company, files his Emergency Motion to Abandon Estate's Interest in the Undivided Leasehold Interest in High Island Block A-552, Offshore Texas, and in support thereof would show as follows:

1. On June 26, 2008, the Debtor filed a Voluntary Petition under Chapter 11 of Title 11 of the United States Code.
2. On April 2, 2009, this Court entered an Order converting the case to a Chapter 7

Proceeding. Rodney Tow was appointed Trustee, qualified, and continues to act in that capacity.

3. The Debtor owns an undivided leasehold interest in an oil & gas well known as the High Island Area Block A-552, Offshore Texas. The potential administrative expenses associated with this well are approximately \$30,000 per month, an amount that far exceeds the value of the well to the Bankruptcy Estate.
4. In this Court's Findings of Fact and Conclusions of Law Regarding Estimation of the Following Claims: (1) Pre-Petition Claim of Forest Oil Corporation; (2) Pre-Petition Claim of Mariner Energy, Inc. and Mariner Energy Resources; and (3) Administrative Claim of Mariner Energy Inc. and Mariner Energy Resources [Docket No. 216], this Court determined that Mariner Energy Inc. and Mariner Energy Resources, (collectively "Mariner"), is the operator of this and other wells.
5. As operator, Mariner has the obligation to plug and abandon this well, not the Debtor. 16 Tex. Admin. Code §3.14.
6. Counsel for the Trustee has researched the ability of the Trustee to abandon the Estate's interest in this well. All of the case law denying a Trustee the right to abandon contaminated estate property if state health or safety law prohibits such abandonment involved cases where the Debtor was actually the operator of the well in question, not merely a partial owner of an interest in the well.¹ There is no prohibition for an interest holder to abandon contaminated estate property.

¹ *In re: American Coastal Energy, Inc.*, 399 B.R. 805, 810 (Bankr. S.D. Tex. 2009); citing *Midlantic Nat. Bank v. N.J Dept. Of Envtl. Prot.*, 474 U.S. 494, 507 106 S.Ct. 755, (1986);

7. The Trustee is aware that this Court has granted Mariner an administrative claim associated with this well. However, the Trustee expressly reserves his right to request this Court to reconsider its estimation of Mariner's administrative claim in this Estate pursuant to 11 U.S.C. §502(j).
8. Due to the continuing potential administrative costs to this Estate, the Trustee requests that this Court enter an Order abandoning the Estate's interest in the High Island Area Block A-522, Offshore Texas well.
9. The Trustee spoke with Counsel for Mariner and he opposes the relief sought in this Motion.

Respectfully submitted this 12th day of June, 2009.

TOW & KOENIG, PLLC.

By: /s/ Julie M. Koenig

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Attorneys for the Trustee

Certificate of Service

I hereby certify that a true and correct copy of the foregoing has been served by Nicole Oakley, a legal assistant in my office, on all of the parties on the attached service list via either ECF Notification or by first class mail, proper postage affixed, on the 12th day of June, 2009.

/s/ Julie M. Koenig
Julie M. Koenig

Label Matrix for local noticing

0541-4

Case 08-34031

Southern District of Texas

Houston

Fri Jun 12 10:52:49 CDT 2009

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Merit Energy Company

Locke Lord Bissell & Liddell LLP

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c/o Bradley L DeLuca
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The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

IRS, Special Procedures

1919 Smith STOP 5024HOU

Houston, TX 77002

(d) Internal Revenue Service

Centralized Insolvency Operation

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Philadelphia, PA 19114

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u) Carson Rollins, LLC

(u) Coldren Resources, L.P.

(u) Forest Oil Corporation

(u) mariner energy resources, inc.

End of Label Matrix

Mailable recipients 36

Bypassed recipients 4

Total 40